



Senate Finance Committee Written Testimony re House Bill 23-1277
Alicia Gelinas, CPA, CEO, Colorado Society of CPAs

Good afternoon, Mr. Chair, and Members of the Committee.

I am Alicia Gelinas, CPA, CEO of the Colorado Society of Certified Public

Accountants, the **state association representing 6,500+ CPAs and**

Accounting Professionals. I write today in support of House Bill 23-1277.

IRS partnership audits began in 2020 as part of the BIPARTISAN BUDGET ACT OF 2015. The new regime centralizes the IRS's ability to audit, assess, and collect underpayments directly from a partnership at the entity level (instead of only assessing and collecting from each individual partner). With the passage of House Bill 1277, Colorado's reporting of adjustments resulting from a federal partnership audit would become substantially similar to 15 other states that have passed legislation as of January 2023.

Many CPAs and their clients are structured as partnerships and operate in multiple states. CPAs are also frequently involved in assisting partnership and corporate clients with compliance and audits. Inconsistent requirements across states for reporting to state taxing authorities adds unnecessary compliance burdens. This is why I am particularly appreciative of the guidance, administrative clarification, and deadline extensions offered by Senator Kolker, Senator Smallwood, and the co-sponsors through House Bill 1277.

I urge your "YES" vote.

Thank you, Mr. Chair, and members of the committee.